Senate Bill No. 1794

CHAPTER 1019

An act to amend Sections 39751 and 39752 of the Health and Safety Code, relating to air pollution.

[Approved by Governor September 30, 2000. Filed with Secretary of State September 30, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1794, Ortiz. Rice straw burning.

Existing law requires the State Air Resources Board to provide cost-sharing grants for the development of demonstration projects for new rice straw technologies. Existing law establishes the Rice Straw Demonstration Project Fund for the purpose of providing the grants. Existing law provides for the grants to be authorized and allocated during the 1997–98 and 1998–99 fiscal years and requires the projects to demonstrate technical and economic feasibility.

This bill would change the name of the fund to the Rice Straw Demonstration Project Grant Fund and would provide for the grants to be authorized and allocated during the 2000–01, 2001–02, and 2002–03 fiscal years. The bill would additionally require the projects to demonstrate cost-effectiveness and mitigation of environmental impacts. The bill would not become operative until moneys are deposited in the fund by the Legislature or any other entity.

The people of the State of California do enact as follows:

SECTION 1. Section 39751 of the Health and Safety Code is amended to read:

39751. The Rice Straw Demonstration Project Grant Fund is hereby created in the State Treasury. The fund shall be administered by the state board for the purpose of developing demonstration projects for new rice straw technologies in the rice straw growing regions of California.

SEC. 2. Section 39752 of the Health and Safety Code is amended to read:

39752. The state board shall provide cost-sharing grants for the development of demonstration projects for new rice straw technologies according to criteria developed by the state board, in consultation with the University of California, the Trade and Commerce Agency, and the Department of Food and Agriculture, and adopted at a noticed public hearing held by the state board. The criteria shall include, but shall not be limited to, all of the following:

Ch. 1019 — 2 —

- (a) Proposed projects shall use a technology that could use significant volumes of rice straw annually if it is commercialized, based upon various factors, including potential markets and viability of the technology in meeting market demands.
- (b) The state board shall provide a grant of not more than 50 percent of the cost for each demonstration project.
- (c) Public and private support shall be demonstrated for proposed projects, including local community support from the rice growing community where the project would be located.
- (d) The grants shall be authorized and allocated during the 2000–01, 2001–02, and 2002–03 fiscal years. Grants may be expended, under the grant agreement, during a period not to exceed three years from the date that the grant is awarded.
- (e) Preference shall be given to projects located within the rice growing regions of the Sacramento Valley and which may be replicated throughout the region.
 - (f) Projects should demonstrate all of the following:
 - (1) Technical and economic feasibility.
 - (2) The capability to become profitable within five years.
 - (3) Cost-effectiveness.
- (4) The extent to which the program mitigates or avoids adverse environmental impacts.
- (g) This section shall not become operative until moneys are appropriated for deposit in the Rice Straw Demonstration Project Grant Fund, created pursuant to Section 39751, by the Legislature, or until moneys are transferred to that fund by any other entity.